

News Release

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Sequestration leads to Unemployment Insurance reductions in Arizona

Arizona's long-term unemployed to see 16.8% reduction in payments

PHOENIX – The Department of Economic Security (DES) announced today that effective June 2, 2013, unemployment insurance claimants receiving Emergency Unemployment Compensation (EUC) funds can expect to see a 16.8 percent reduction in their claim. This means the maximum weekly claim will change (drop or be reduced) from \$240/week to \$200/week.

The reduction is a result of the Budget Control Act of 2011 (Public Law 112-25), commonly referred to as “sequestration,” which requires across-the-board budget cuts to many federal programs.

Reductions in payments only apply to claimants who are receiving EUC benefits, meaning they have submitted unemployment insurance claims for more than 26 weeks. Claimants receiving regular unemployment insurance benefits are not affected by sequestration and are therefore not subject to reduction.

On May 1, 2013, DES mailed out approximately 23,455 notices to EUC claimants advising them of the changes. Current EUC claimants will also receive a separate Wage Statement that includes their new benefit balance amount and weekly benefit amount.

Due to reduced staffing to process unemployment claims, the Department is recommending that claimants not contact the UI Call Center regarding this adjustment unless they believe there is an error in the reduction applied to their claim. The reduction, unless an error is identified, cannot be appealed or adjusted as it is federally mandated. Claimants can also access information online at www.azui.com

The reduction affects the EUC Maximum Benefit Amount (MBA) and Weekly Benefit Amount (WBA) for weekly claims filed through September, 2013.

More information is available on the Arizona Unemployment Insurance website.

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